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## BOOK REVIEWS AND NOTICES

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*Banking Reform.* Edited by J. LAURENCE LAUGHLIN. Chicago: The National Citizens' League for the Promotion of a Sound Banking System, 1912. Large 8vo, pp. xii+428. \$2.50 net.

In recognition of the fact that public opinion must sustain any legislation of a permanent character, the National Citizens' League has sought to promote the necessary general knowledge upon monetary conditions by publishing for its members, and others, this volume containing "a plain, untechnical exposition of the defects of our present banking and currency system together with a discussion of the remedies" (p. iii). A brief but comprehensive list of the defects is given on p. iii; and throughout the entire work emphasis is laid upon the isolation and lack of proper co-operation between existing banks.

There are excellent chapters upon "present reserve requirements" (chap. iii); "commercial paper" (chap. v); "the control of the Reserve Association" (chap. xii); "the movement of cotton or the financing of the cotton crop" (chap. xix); and a favorable opinion by Professor J. P. Hall upon "the constitutionality of a National Reserve Association" (chap. xxiii). Other chapters are included upon "our inelastic credit system," "acceptances and a discount market," "speculation and call loans," "bond-secured and banking currency," "the clearing-house system," "the Reserve Association as fiscal agent of the Federal Government," and the "international position of the United States." An explanation is given of the beneficent effects of a National Reserve Association upon small banks, state banks and trust companies, non-borrowers, small merchants, farmers, and the bank depositor. The subject matter, marginal topics, and systematic paragraphing recommend the work as a reference comparable with the report of the Indianapolis Monetary Commission of 1898.

This book is not aimed to contribute much that is new upon banking theory. Where its conclusions involve principles they are such as have been indorsed by the editor in many of his earlier writings. For instance, high prices are not due to the large volume of money (p. 40); there can be no inflation (over-expansion) so long as redemption is maintained (p. 142); inflation is the extension of abnormal credit, having "nothing

whatever to do with the amount of currency in existence, or in circulation" (p. 190); and the "guarantee of bank deposits . . . would not suffice . . . since the most important requirement is not ultimate but immediate payment. . . ." (p. 352).

Some printers' errors have crept in, such as "the rate of discount must be uniform to all applicants . . . the banks in some districts where capital is scarce and rates high would *not* enjoy this provision. . . ." (p. 23); also ". . . supervision of the clearing-house over its members has been extended . . . a decidedly important function whose *futility* has been recognized . . ." (p. 179). The conclusions upon p. 200 are open to question. The academic student will observe the absence of bibliography that would aid more intensive study. The works of the National Monetary Commission are scantily cited.

The argument of the book supports unqualifiedly all parts of the plan for a National Reserve Association as proposed by the National Monetary Commission. To some this may appear unduly partisan. However, the officers of the National Citizens' League have doubtless decided that the time has arrived for all of the advocates of banking reform to support with their united strength some kind of plan; that this plan of the National Monetary Commission has better chances of success than any other plan that has been proposed for some time; and that its distinctive features will constitute such an advance in monetary reform as to minimize considerably the importance of the criticisms which may be brought against it by the various schools of reformers—in short, the League appears to favor a unified plan rather than long debate which might end without fruit. For the purpose of educating and unifying public sentiment upon the need for banking reform this work is well executed and deserves wide circulation.

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*State and Local Taxation.* Addresses and Proceedings. Fifth annual conference under the auspices of the National Tax Association, held at Richmond, Va., September 5-8, 1911. Columbus, Ohio: National Tax Association, 1912. 8vo, pp. 485.

The addresses, discussions, and committee reports contained in this volume of *State and Local Taxation* may roughly be classified under three heads: (1) reports on changes in the taxing systems of certain states in which reforms have been attempted, and a general survey of the